

SENATE ENROLLED BILLS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 793. An act to provide for a national cemetery in the vicinity of Portland, Oreg.;

S. 1994. An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries;

S. 2082. An act extending the provisions of Public Law 47, Seventy-seventh Congress, to State directors of Selective Service and Members of alien-enemy hearing boards;

S. 2086. An act to authorize the employment of nationals of the United States on any public work of the United States in the Territory of Hawaii.

ADJOURNMENT

Mr. COCHRAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 45 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Friday, December 26, 1941, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1187. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to further amend section 44 of the act of March 4, 1909 (35 Stat. 1097), as amended, so as to provide for extending to the waters of the Philippine Islands the authority of the President to establish defensive sea areas, and for punishment of offenses committed therein; to the Committee on the Judiciary.

1188. A letter from the Secretary of War, transmitting a report of contracts awarded under the act of March 5, 1940; to the Committee on Military Affairs.

1189. A letter from the Secretary of War, transmitting a report of contracts as awarded under the act of March 5, 1940; to the Committee on Military Affairs.

1190. A letter from the Chairman, Federal Communications Commission, transmitting a report that it has no specific recommendations to make at this time for new legislation for the promotion of safety of life and property through the use of communications pursuant to the second proviso of section 4 (K) of the Communications Act of 1934, as amended; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RAMSPECK: Committee on the Civil Service. H. R. 6217. A bill to amend section 13 of the Classification Act of 1923, as amended; with amendment (Rept. No. 1557). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 4910) authorizing the Secretary of the Interior to issue to William Murray, Jr., a patent to certain land; Commit-

tee on Indian Affairs discharged, and referred to the Committee on the Public Lands.

A bill (H. R. 5318) for the relief of Bessie Walden; Committee on Indian Affairs discharged, and referred to the Committee on the Public Lands.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII,

Mr. LEWIS introduced a bill (H. R. 6287) conferring a military status upon certain civilian employees of the Engineer Department, United States Army, which was referred to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2212. By Mr. GILLIE: Petition of the Townsend Club, No. 1, of Auburn, Ind., C. F. Kinsey, secretary, urging the immediate consideration of House bill 1036, the Townsend bill; to the Committee on Ways and Means.

2213. By Mr. LUTHER A. JOHNSON: Petition of Mr. and Mrs. T. T. Graffenreidt and 17 other citizens of Easterly, Tex., favoring House bills 3753 and 3754; to the Committee on Agriculture.

2214. By Mr. MERRITT: Resolution of the Regular Democratic Club of the first zone, first assembly district, Long Island City, N. Y., approving the action of our Congress and our President, and offering their services as citizens of this free land to our President and Nation in whatever position they deem necessary to the end that ultimate victory may come to our Nation and to those allied with us in order that our sacred liberty may be preserved; to the Committee on Military Affairs.

2215. By the SPEAKER: Petition of the Municipal Council of St. Thomas and St. John, V. I., petitioning consideration of their resolution with reference to the national-defense program; to the Committee on Insular Affairs.

2216. Also, petition of the Oregon Machinists' Council, Portland, Oreg., petitioning consideration of their resolution with reference to Senate bill 1852 and House bill 5583; to the Committee on Rivers and Harbors.

SENATE

FRIDAY, DECEMBER 26, 1941

The Very Reverend ZeBarney T. Phillips, D. D., Chaplain of the Senate, offered the following prayer:

Father of Lights, and source of every blessing, who makest us sometimes to be glad between our sighs and tears, wearing a face of joy because we have been glad of yore: Grant unto us in this Holy Season the merry heart that doeth good by spreading cheer, and, if that cannot be, give to us the heart of peace, whose peace breathed and nourished from above floweth like a river that goeth softly. Be with us now in the after-glow of Christmas, a sanctifying presence, inspiring us to some gentler thought, some tenderer feeling, moving us to deeper sympathy for those in sorrow and to greater charity for those in need.

Be with all those, for their secret comfort, who by reason of their sickness or affliction were unable yesterday to go with the multitude that kept Holy Day, and, if it may be, bless and heal them both in body and in soul.

Grant that now we may be alive to the new promises of God; may this be a day of alertness to receive and to minister; a day of light if not without the shadow of a cloud, yet with light breaking through the cloud; and do Thou make it for us a day of happy trust which looks unto Thee and says when darkness falls, Father we thank Thee for the knowledge that within all shadows dwellest Thou. In our Saviour's name and for His sake we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, December 23, 1941, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that, on December 23, 1941, the President had approved and signed the following acts and joint resolution:

S. 904. An act for the relief of C. D. Henderson;

S. 1055. An act for the relief of Julius Yuhasz and Arvid Olson; and

S. J. Res. 105. Joint resolution transferring the administration of the homestead projects established in the Virgin Islands from the government of the Virgin Islands to the Department of Agriculture.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 528) to incorporate the Union Church of the Canal Zone.

ENROLLED BILL SIGNED

The message also announced that the Speaker pro tempore of the House had affixed his signature to the enrolled bill (S. 2119) to prohibit the possession of dangerous weapons and explosives on board certain vessels, and it was signed by the Vice President.

TRIBUTE TO RT. HON. WINSTON CHURCHILL BY WALTER LIPPMANN

Mr. THOMAS of Oklahoma. Mr. President, the British Prime Minister, Winston Churchill, is to address the Senate, the Nation, and the world in a few minutes, and, because of the significance of this occasion, I deem it appropriate to ask unanimous consent to have printed at this point in the Record a tribute to him by Walter Lippmann as published yesterday in syndicated columns throughout the country.

There being no objection, the tribute was ordered to be printed in the Record, as follows:

CHURCHILL

(By Walter Lippmann)

Mr. Churchill is with us in our hour of peril. He is able to be with us because the prophecy which he made after Dunkerque has come true, the pledge he gave then has been honored.

On June 4, 1940, France was lost. Russia stood aside. America stood aside. Britain

stood alone. By all the calculations of the unbelieving and the faint-hearted, the war was lost. It was then that Winston Churchill made the prophetic pledge which will remain forever glorious in the annals of mankind:

"We shall go on to the end; we shall fight in France; we shall fight on the seas and oceans; we shall fight with growing confidence and growing strength in the air; we shall defend our island, whatever the cost may be; we shall fight on the beaches; we shall fight on the landing grounds; we shall fight in the fields and in the streets; we shall fight in the hills; we shall never surrender; and even if, which I do not for a moment believe, this island or a large part of it were subjugated and starving, then our Empire beyond the seas, armed and guarded by the British Fleet, would carry on the struggle until, in God's good time, the New World, with all its power and might, steps forth to the rescue and the liberation of the Old."

But for that decision to go on, made by Churchill and supported by his people, Russia would last summer have stood alone against the total power of the Nazi assault from Scandinavia all the way around to Turkey and Persia, and America would today be standing alone against a simultaneous attack in both oceans.

No words can begin to express the debt which we, and all the people of the earth, owe to Winston Churchill and the British people.

As the Prime Minister and the President, together with the military commanders, confer and decide, it would be impudent for the rest of us to offer them advice. Our duty is to assure them that we shall do our full duty whatever they, the proven leaders of the English-speaking peoples, ask of us. In the great decisions which have to be taken, the rest of us, sitting in the back seats, can best take to heart the words of a Roman consul, Lucius Amilius Paulus by name, who in the year 168 B. C., having been selected to conduct the war with Macedonia, addressed the assembly of the people in these words:

"In every circle, and truly at every table, there are people who lead armies into Macedonia; who know where the camp ought to be placed; what posts ought to be occupied by the troops; when and through what pass Macedonia should be entered; where magazines should be formed; how provisions should be conveyed by land and sea; when it is proper to engage the enemy, when to be quiet. And they not only determine what is best to be done, but, if anything is done in any other manner than what they have pointed out they arraign the consul, as if he were on trial.

"These are great impediments to those who have the management of affairs * * * I am not of those who think that commanders ought never to receive advice; on the contrary. I should deem that man more proud than wise who did everything of his own single judgment. What then is my opinion? That commanders should be counseled, chiefly, by persons of known talent, by those especially who are skilled in the art of war and who have been taught by experience; and next by those who are present at the scene of the action, who see the enemy, who see the advantages that occasions offer, and who, embarked, as it were, in the same ship, are sharers of the danger."

The rest of us will not be truly ready to do our full duty until we realize that never until this moment have Mr. Churchill and Mr. Roosevelt been wholly free to take the measures which they and their best advisers have deemed necessary. Both of these men foresaw long ago the peril which confronts us. Neither was able to persuade his people to act before the peril became desperate. Mr. Churchill was warning the British of the growing power of Nazi Germany from the

very day that Hitler came to power—nearly 9 years ago. But Mr. Churchill did not become Prime Minister until after the disaster in Norway. Mr. Roosevelt began warning the American people more than 4 years ago; it was not until the disaster at Pearl Harbor that the country waked up and began to come fully to his support.

Thus Churchill and Roosevelt are leaders who must deal with the consequences of inaction which a misguided public opinion insisted upon. It is not for them to say, nor have they ever, cheaply said, "I told you so." But now that they must repair the mistakes which they were not allowed to avert, it is of great importance for the rest of us, all of the rest of us, not merely some of the rest of us to realize that they did tell us so. This is necessary, not in order to prove that they are infallible, but in order that we, by realizing our own mistakes, should not make them again.

The great mistake of our lives—from which flow all the awful consequences we now face—was that, having won the other war, together with the British, we dissolved the partnership, went our separate ways, and even became rivals. This is the mistake which Mr. Churchill and Mr. Roosevelt are now trying to repair.

For by the separation of Britain and America, which occurred at the close of the other war, we prepared the disaster of this war. The deadly nonsense about the war debts, the selfish folly of British and American commercial policy, the blindness with which we insisted upon disarming each other, the contradictions of the far eastern policy of both countries—all these suicidal errors had their origin in the great error of not maintaining the union, in peace as well as in war, of the English-speaking peoples.

Thus, we did not see, because we were willfully blind, that the Pacific Ocean could not be protected by America from Hawaii alone, or even from the Philippines; that a joint defense from Singapore and Hawaii, from Hong Kong and Manila, was indispensable.

Nor would we see that the joint defense of the Atlantic was as indispensable as the joint defense of the Pacific; that the security of the British Isles was a vital American interest; that the survival of France was a vital American interest. We could not see that the world is round and that we are in it between the east and the west. On the beaches of Luzon, in the jungles of Malaya, and on the coasts of Africa we are now paying the price for not seeing this.

We can never put the memories of these terrible errors aside, amiably preferring to forget them, until they are so thoroughly realized and then rooted out of us that they will never again arise to divide the English-speaking peoples. Until we have done this we shall not have the mind—nor the heart—for the effort we must make; nor shall we have the quality, which the coming months will require, to look upon danger with what Mr. Churchill once called "a searching, but at the same time, I hope, with a steady eye."

NOTICE OF HEARING ON NOMINATION OF PAUL C. LEAHY TO BE UNITED STATES DISTRICT JUDGE

Mr. VAN NUYS. Mr. President, on behalf of the senior Senator from Delaware [Mr. HUGHES], I give notice that on the 2d day of January, at 10:30 o'clock a. m., public hearings will be held in the committee room of the Committee on the Judiciary on the nomination of Paul C. Leahy, of Delaware, to be United States district judge for the district of Delaware.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AWARDS OF CONTRACTS FOR THE ARMY

Two letters from the Secretary of War reporting, pursuant to law, relative to division of awards of certain quantity contracts for aircraft, aircraft parts, and accessories therefor entered into with more than one bidder under authority of law; to the Committee on Military Affairs.

RESOLUTION OF MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN—SUPPORT OF THE WAR

A letter from the Acting Secretary of the Interior, transmitting copy of a resolution passed by the Municipal Council of St. Thomas and St. John "To avow the loyal support of the people of the Virgin Islands to the United States of America in the war against the Imperial Government of Japan, or any other belligerent nation that should attack the United States of America," with an accompanying paper; to the Committee on Military Affairs.

REPORT OF NATIONAL FOREST RESERVATION COMMISSION (S. Doc. No. 154)

A letter from the Secretary of War as president of the National Forest Reservation Commission, transmitting, pursuant to law, the annual report of the Commission for the fiscal year ended June 30, 1941 (with an accompanying report); to the Committee on Agriculture and Forestry and ordered to be printed, with an illustration.

COMMUNICATIONS IN CONNECTION WITH SAFETY OF LIFE AND PROPERTY

A letter from the Chairman of the Federal Communications Commission, reporting, pursuant to law, that the Commission has no specific recommendations to make at this time for new legislation for the promotion of safety of life and property through the use of communications; to the Committee on Interstate Commerce.

REPORT OF THE FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman of the Federal Communications Commission, submitting, pursuant to law, the annual report of the Commission for the fiscal year ended June 30, 1941 (with notation of subsequent national defense and other important activities) (with an accompanying report); to the Committee on Interstate Commerce.

CRUDE-OIL PRICES—RESOLUTION OF EXECUTIVE COMMITTEE OF KANSAS INDEPENDENT OIL AND GAS ASSOCIATION

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a letter, with an accompanying resolution, adopted by the executive committee of the Kansas Independent Oil and Gas Association at a recent meeting in the city of Wichita, urging the importance of securing a better price for crude oil in order that the independent producers may remain in business. I am in full sympathy with the appeal made by the independent oil producers.

There being no objection, the letter and accompanying resolution were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

KANSAS INDEPENDENT OIL AND GAS ASSOCIATION, Wichita, Kans., December 9, 1941.

Hon. ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPPER: Enclosed herewith you will please find a copy of a resolution prepared by the resolutions committee and passed by the executive committee of the Kansas Independent Oil and Gas Association. Copies of this resolution are being mailed to

the Representatives of our State in Washington, to Petroleum Coordinator Harold L. Ickes, and to Leon Henderson.

There has been prepared and is available, if you do not already have one, a report on crude-petroleum costs. This information was prepared by the Independent Petroleum Association of America, after long thought and study. By giving this thorough study you may well see why the enclosed resolution demands immediate and serious consideration, as we are in our State, depleting the reserves of our crude petroleum at a price far below the cost of operation. If the independent producer is to continue operating we must have an increase in the price of our product. We trust that you will use every effort possible in working with us to try to get the price of crude oil raised to a sufficient level to show a fair profit, thus enabling the independent producers, who are responsible for a large percent of the new reserves being found, to remain in business.

Yours very truly,

D. R. LAUCK, *President.*

Whereas the responsibility of continuing a proper supply of crude petroleum to meet the normal demands for domestic consumption is now increased by the additional demands incident to our rapidly accelerated defense activities as well as the demands made upon the petroleum supplies by those countries to which our country has become obligated;

Whereas the increased cost of finding and producing this oil has greatly added to the individual responsibility of the oil producers;

Whereas the integrated companies who purchase our oil are also our competitors in the production and sale of oil. They sell their production through their refined products at retail and through Government contracts. These outlets have offered increased prices for crude petroleum so sold;

Whereas there is no increase of the price the independent producer can obtain for his oil that is commensurate with the increased cost he must bear to enable him to continue to compete with the integrated companies. We cannot strike for higher prices as can labor for higher wages. We do not ask for subsidies to maintain our operations;

Whereas our prices are below those of recent years, while our costs have steadily increased. Wells in stripper areas which represent a large part of the total oil reserves of the Nation are operating at a loss. The necessity of abandoning hundreds of these wells brought about by the current price situation is creating a deplorable waste; and

Whereas the discovery of approximately 70 percent of all new oil pools and reserves have been made by independent oil producers, some relief must be provided for ourselves as well as those of like situation. That relief can be provided by the governmental agencies charged with this responsibility: Therefore be it

Resolved by the Kansas Independent Oil and Gas Association here assembled in annual meeting of this 5th day of December 1941, That we call upon the Petroleum Coordinator for National Defense and the Office of Price Administration to give attention to this situation at the earliest possible date without delay and that the respective Members of Congress, both of the House and Senate, assist our members to the end that whatever they can do to accomplish the purpose will be done. That if the purchasers of our products refuse to take proper steps to insure an adequate price in order to stimulate and make possible the discovery and development of new reserves that the necessary action be taken to ascertain whether or not they are interfering with the national-defense program by refusing to pay a proper price for crude petroleum.

LETTER FROM PITTSBURGH CENTRAL LABOR UNION—SUPPORT OF THE WAR

Mr. DAVIS. Mr. President, I present and ask to have printed in the RECORD, and appropriately referred, a letter from the secretary of the Pittsburgh Central Labor Union, together with a resolution adopted by that union, pledging all-out help in order to win the war.

The VICE PRESIDENT. The letter and resolution will be received, printed in the RECORD, and appropriately referred.

There being no objection, the letter and resolution were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

PITTSBURGH CENTRAL LABOR UNION,
Pittsburgh, Pa., December 23, 1941.

HON. JAMES DAVIS,
Senate Office Building,
Washington, D. C.

DEAR MR. DAVIS: At a regular meeting convened Thursday, December 18, 1941, the membership of the Pittsburgh Central Labor Union of the American Federation of Labor pledged themselves individually and unitedly to give all assistance within their ability to further national defense and promote the welfare of our Nation.

The attached resolution was unanimously adopted by our membership.

With kindest regards from our membership and best wishes for your health.

Respectfully yours,

JOHN A. STACKHOUSE,
Secretary, Pittsburgh Central Labor Union.

Whereas the President of the United States, Franklin D. Roosevelt, on December 8, 1941, approved and signed the joint resolution declaring that a state of war exists between the Imperial Government of Japan and the Government and the people of the United States; and

Whereas the members of the Pittsburgh Central Labor Union of the American Federation of Labor, in regular session December 18, 1941, pledged themselves individually and unitedly to give all assistance within their ability to further national defense and promote the welfare of our armed forces; and

Whereas the United States was attacked by Japan without cause. The United States was still pleading for peace, still offering Japan honorable friendship, when she struck without warning. Our Nation is not the aggressor but the defender. This gives our peace-loving democratic people something that the imperialistic madmen of Europe and Asia lack—the will to fight and the will to win—and we shall see this through; and

Whereas we will fight as never before to maintain our liberties which we have enjoyed. It now becomes the duty of every American citizen who has enjoyed the privileges and benefits of this great Nation to do everything within his power to maintain these privileges. In this crisis we must have unity of thought, unity of sentiment, unity of spirit, unity of purpose, unity of action. This is no time for arguments. There is no time now for differences: And therefore be it

Resolved, That we the members of the Pittsburgh Central Labor Union do pledge to our Commander in Chief, President Roosevelt, our unswerving loyalty, our unbending effort, our unstinted energies, and our undying devotion in the titanic struggle for human liberty upon which we have embarked; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, United States Senators for Pennsylvania, and to the Congressmen of our district.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, TOGETHER WITH MINORITY VIEWS (S. DOC. NO. 152)

The VICE PRESIDENT laid before the Senate the preliminary report of the Joint Committee on Reduction of Nonessential Federal Expenditures, submitted pursuant to law, which was referred to the Committee on Appropriations.

Mr. BYRD. Mr. President, the report of the Joint Committee on the Reduction of Nonessential Federal Expenditures has already been filed with the President of the Senate in accordance with law. I ask that it be printed as a Senate document and also printed in the RECORD.

The VICE PRESIDENT. Without objection, the report will be printed as a document, and printed in the RECORD.

MINORITY VIEWS

Mr. LA FOLLETTE. Mr. President, as a member of the Joint Committee on Reduction of Nonessential Federal Expenditures I file minority views for printing and printing in the RECORD.

The VICE PRESIDENT. Without objection, the views of the minority will be received and be printed in connection with the report filed by the Senator from Virginia [Mr. BYRD], and also printed in the RECORD.

REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

DECEMBER 24, 1941.

REPORT TO THE PRESIDENT OF THE UNITED STATES; THE VICE PRESIDENT OF THE UNITED STATES; PRESIDENT OF THE SENATE; THE SPEAKER OF THE HOUSE OF REPRESENTATIVES:

In accordance with title 6 of the Revenue Act of 1941, Public Law No. 250, Seventy-seventh Congress, a preliminary report herewith is presented by the Joint Committee on Reduction of Nonessential Federal Expenditures.

LEGISLATIVE AUTHORITY

This committee was established pursuant to title 6 of the Revenue Act of 1941, approved September 20, 1941, which directed it to "make a full and complete study and investigation of all expenditures of the Federal Government, with a view to recommending the elimination or reduction of all such expenditures deemed by the committee to be nonessential, and to report to the President and to the Congress the results of its study, together with its recommendations, at the earliest practicable date."

PROCEDURE

The committee has had the benefit of the testimony of the Secretary of the Treasury, a member of the committee, the Secretary of Agriculture, and various other officials of the Government regarding the possibility of specific savings in existing departments and agencies. It has had before it for study the report of the Director of the Bureau of the Budget, also a member of the committee, submitted in response to the request of August 28, 1941, from the Senate Finance Committee, as well as other data submitted directly to this committee by the Budget Bureau. The committee has received, also, suggestions of economies from civic agencies, taxpayers' clubs, and private citizens. It has collected, in addition, evidence from its own sources and it has devoted considerable time to a survey of the problems. This report is made on the basis of all the information thus collected.

INITIAL REPORT

Directed to report to the President and to the Congress "at the earliest possible date," the committee considers it highly desirable to present now a preliminary report. The committee emphasizes that this report is only its first, and that other departments, agencies, funds, programs, and items will be examined by the committee and treated in subsequent reports.

This is only a partial report. While the committee has worked diligently since its organization, the magnitude of the labor involved as well as the vital legislative matters before Congress in recent weeks have prevented due consideration to further reductions and eliminations, which will be reported on later. Subjects considered in this report are limited largely to those established originally as depression measures.

The committee believes that in view of the improved economic situation and the vital new war conditions the agencies of Government and the Members of Congress should have at the earliest practicable time the benefit of conclusions thus far reached by the committee, and any possible economies which now can be effected should not be deferred.

Before the war economy in nonessential spending was important. Now it is vital. There is no room for nonessentials in a government stripped for action. Our united purpose is to produce sufficient armament and trained personnel to win this war. Nothing can be permitted to interfere with this objective. The American people are being asked to pay extremely burdensome taxes which will become greater; they are being asked to make great sacrifice and endure hardships. The Government should set the example.

The United States Treasury is facing the tremendous task of financing the war. We must decrease its difficulties, not increase them. All nonessential spending must yield to the needs of our defense program.

Strenuous efforts are being made to prevent serious price inflation. To continue consumer subsidies created during depression years without urgent necessity will pour fuel on a disastrous inflation fire.

The committee believes substantial reduction in nonessential spending would be of material aid in holding down inflationary price increases.

We shall have to draw on all our resources and accumulated wealth, as well as manpower, to fight a long war. In addition to equipping our own armed forces and establishing at home our own defenses, we have undertaken to furnish military supplies of every description to all nations fighting the forces of aggression. We must continue this without stint. But it is a colossal obligation.

FEDERAL DEBT

We started this war with a direct Federal indebtedness of about \$55,000,000,000.

Today the ultimate cost of the war is unpredictable, but to date we have appropriated and authorized \$75,000,000,000 for national defense. This is only the beginning. Every dollar now added to the public debt without imperative defense need makes it more difficult for America to meet post-war period problems in both domestic economy and foreign trade.

In this titanic world struggle with totalitarian forces democracies must not only conquer, they must preserve their democratic system. That means the preservation of solvent government. National solvency—difficult in this emergency and so essential to the preservation of the democratic system—is of no necessary concern to totalitarian governments.

Necessary expenditure of billions for national defense has changed abruptly the reasons and advisability for continuing certain agencies, services, and functions of government.

Amounts expended for defense soon will be so large as to obviate much of the necessity for spending in relief and other items for which the committee recommends elimination or reduction.

Judged by national income, estimated at \$105,000,000,000, 1942 will be the most prosperous year in American history. This may be compared with the national income of approximately \$82,000,000,000 in 1929. That is one reason to believe that much of the relief expenditure continued from the so-called depression years now can be eliminated. Continuation of public works and some other types of projects during the war emergency would require diversion of vital manpower and materials from defense to nondefense projects.

The Federal Government alone must pay the cost of national defense. For years the Federal Government has been carrying a heavy load of State and local responsibilities. The committee believes that during this emergency the States and localities should reassume, where necessary, responsibilities historically theirs.

THE FUTURE PROGRAM

In general, the committee will continue its investigation, as follows:

1. It will continue its examination of all Federal expenditures to determine where further curtailment or elimination of expenditures can be made, in the light of defense needs, increasing industrial production and employment, and other factors:

2. It will examine further and in detail the activities of the departments and agencies of the Federal Government to determine whether all functions performed by departments and agencies are essential under existing conditions, whether duplications and corresponding functions can be consolidated, and the extent to which contraction can be substituted for expansion.

3. It will scrutinize Government-owned corporations to determine whether present loan policies are advisable in view of changed conditions, whether loans are being made efficiently, with proper regard to security, repayment, and other terms, and whether salaries and expenses of such corporations are reasonable.

4. It will examine purchasing, classification, salaries, transportation, publicity, and other items of expense and practice to determine whether they are being administered in an economical manner.

5. It will review all permanent agencies in an effort to determine the necessity and the efficiency of their administration and the advisability of more effective controls.

6. It will review defense expenditures and make recommendations for the elimination of waste and inefficiency in administration.

The committee's views on these subjects and possibly others will be embodied in subsequent reports.

RECOMMENDATIONS

1. New adventures

The committee recommends that no new adventures or commitments in public works or costly Government programs be undertaken during the period of the war emergency, except those imperatively necessary to national defense.

The committee cautions against the futility of retrenching in existing nonessential spending and subsequently appropriating for programs or projects that could be deferred until after the emergency.

2. Civilian Conservation Corps, National Youth Administration, Office of Education, Work Projects Administration

The committee recommends that the Civilian Conservation Corps, the National Youth Administration, and the national-defense training activities of the Office of Education be abolished, effective as soon as possible and

not later than July 1, 1942, and that there be established in some suitable agency facilities for training persons for work in defense occupations; this activity to be limited strictly to national-defense work and confined to those fields and to numbers to be certified by the Secretary of War and the Secretary of the Navy as necessary for that purpose; also that there be merged in this new program any necessary part of defense training now under the Work Projects Administration as shall be certified by the Secretary of War or the Secretary of the Navy as necessary to national defense; and further that all portions of previously appropriated funds for these agencies now held in reserve by direction of the Bureau of the Budget (totaling \$132,000,000) be covered into the Treasury.

3. Work Projects Administration

The committee recommends that there be appropriated to the Work Projects Administration the sum of not more than \$50,000,000 per month for 3 months beginning July 1, 1942. Any work now being carried on by the Work Projects Administration for account of national defense after July 1, 1942, should be carried on under the direction of the War and Navy Departments and the amount here recommended for the Work Projects Administration reduced accordingly.

The committee believes that with defense expenditures constantly increasing, Work Projects Administration appropriations should be on a quarterly basis beginning July 1, 1942, and that as employment increases the quarterly appropriations should be reduced accordingly.

4. Civil departments

The committee recommends that every possible retrenchment be made in the administrative costs of the civil departments and agencies. There has not been sufficient time for the committee to investigate fully these administrative costs. This will be done as promptly as possible.

The Budget Bureau report before this committee estimates that under a plan to reduce Federal nondefense spending one and one-half billion dollars, the allotted reduction in regular appropriations to civil departments and agencies would be \$100,000,000. This would reduce total appropriations from \$830,000,000 for civil departments to \$730,000,000.

The cost of publicity activities in the civil departments and agencies is estimated by the Bureau of the Budget to be at least \$30,000,000, and should be carefully reviewed for reductions and eliminations.

5. Agriculture

The committee at this time considered in detail expenditures by the Department of Agriculture, among the regular departments, because of the large programs and far-reaching activities established within and transferred to that Department during the depression period. The committee based its study on material furnished by the Secretary of Agriculture, the Bureau of the Budget and its agricultural examiners, and by department officials who work with the programs and activities. This study will be continued and as a partial report the committee now recommends:

- (a) Elimination of all land purchases by the Department of Agriculture during the period of the emergency.

- (b) Review of administrative costs of the Department of Agriculture and elimination of all unnecessary overhead, and especially the wages and overhead incident to the employment of nearly 100,000 Agricultural Adjustment Administration committeemen.

- (c) Reduction of \$100,000,000 in the appropriation for exportation and domestic consumption of agricultural commodities program.

(d) That rates and premiums of the Federal Crop Insurance Corporation be made actuarially sound in a manner to carry losses and that the Corporation be made self-supporting.

(e) Abolition of the farm-tenant program, with an annual administrative cost of \$7,122,570 and authorization to borrow \$50,000,000.

(f) Abolition of the Farm Security Administration, with \$70,500,000 in direct appropriation and authority to borrow \$120,000,000; its national-defense activities, to the extent that they are necessary, to be transferred to some more suitable agency.

(g) Deferment of rural-electrification expansion to the extent that it conflicts with national-defense priorities on materials.

6. Federal highway and public works

The committee recommends that during the emergency one-half of the Federal highway appropriations and authorizations be deferred, at a saving of \$64,000,000.

The committee believes all appropriations and authorizations for all public works, including Federal dams, flood control, reclamation projects, and public buildings not directly essential to national defense, should be deferred until after the emergency.

Such appropriations and authorizations, including highway funds, total approximately \$160,000,000. These items immediately should be reviewed carefully.

7 Reserves impounded

The committee recommends that all funds impounded by the Bureau of the Budget from previous appropriations and held in reserve now be covered back into the Treasury.

The committee recommends that legislation be enacted which would authorize the Director of the Budget to set up reserves out of any future appropriation, at such times and in such amounts as the Director may determine.

8. Government corporations

The Government, more and more, is relying upon the thirty-odd Federal corporations for financing both defense and nondefense operations. Most of the funds thus used, amounting to many billion dollars, are not subject now to the usual budgetary and audit control, nor does Congress have control over disbursement of funds through these corporations, except in blanket authorizations. Receipts derived from collections on loans made by these corporations return to their credit. They are subject only to control by the corporations themselves outside of any congressional jurisdiction.

These corporations already have authorization substantially to obligate the credit of the Government. These obligations constitute an indirect Federal debt to the extent that they are guaranteed by the Federal Government and that they are not met by the institutions themselves.

The committee recommends coordination of these corporate activities, legislation subjecting the corporations to budgetary and audit control, and that Congress assume tangible and direct control over their funds by means of its constitutional appropriating machinery.

The committee will deal with the disbursements of Government corporations and make more specific recommendations in subsequent reports.

TABULAR RECAPITULATION

If the specific recommendations by the committee are adopted, the appropriations for the next fiscal year will be less than in the current fiscal year by the following amounts:

Civilian Conservation Corps (abolished).....	Savings \$246,960,000
National Youth Administration (abolished) (nondefense).....	91,767,000

Work Projects Administration (present appropriation \$875,000,000 annually). Recommendation for quarterly appropriation, including defense activities for first 3 months of next fiscal year of \$50,000,000 monthly and further reduction as employment improves due to defense expenditures should save at least for the year.... \$400,000,000

Agriculture:

Deferment of land purchases.....	3,000,000
Savings in overhead expenses of Department as indicated.....	50,000,000
Reduction in appropriation for "Exportation and domestic consumption of agricultural commodities".....	100,000,000
Farm-tenant program (abolished) (cash).....	7,122,000
Farm-tenant program (abolished) (loan authorization cancellation).....	50,000,000
Farm Security Administration (abolished) (cash).....	70,500,000
Farm Security Administration (abolished) (loan authorization cancellation).....	120,000,000
Public works and Federal highway: One-third deferment in public roads.....	64,000,000
Other public works:	
Deferment of public buildings for nondefense.....	43,164,000
Deferment of Department of Interior items.....	26,727,000
Deferment of rivers and harbors and flood-control items.....	27,835,000
Cash savings.....	1,131,075,000
Cancellation of loan activities.....	170,000,000
Total.....	1,301,075,000

In addition, if funds impounded by the Director of the Budget were covered into the Treasury by legislative action, as this committee recommends, there would be immediate savings of \$415,890,061.

These savings specifically recommended are partial in scope and leave a field of economies in which further substantial reductions will be recommended.

In the field for future investigation by this committee, where no recommendations are as yet made, are reductions in administrative costs of civil departments as referred to above and noted by the Director of the Bureau of the Budget in his report to the Senate Finance Committee. The committee has lacked time for investigation into many other expenditures which are and will be under study.

The committee is deeply grateful, especially for the cooperation of Hon. Henry Morgenthau, Jr., the Secretary of the Treasury, and Hon. Harold D. Smith, the Director of the Bureau of the Budget, as members of the committee, and for the expert information which they have made available to the committee. The committee is grateful also for the cooperation of the heads and officials of the various departments in the committee's deliberations.

This preliminary report is based upon the great amount of factual information, testimony, and other documentary evidence which will be incorporated from time to time, in additional forthcoming reports.

Harry F. Byrd, chairman, member, Senate Finance Committee; Robert L. Doughton, vice chairman, chair-

man, House Committee on Ways and Means; Henry Morgenthau, Jr., Secretary of the Treasury, subject to qualifications as stated in his letter, which is attached; Carter Glass, chairman, Senate Committee on Appropriations; Walter F. George, chairman, Senate Committee on Finance, see attached comment; Kenneth McKellar, Democratic ranking member, Senate Appropriations Committee; Clifton A. Woodrum, Democratic ranking member, House Appropriations Committee; Thomas H. Cullen, Democratic ranking member, House Ways and Means Committee; Allen H. Treadway, Republican ranking member, House Ways and Means Committee; John H. Taber, Republican ranking member, House Committee on Appropriations; Gerald P. Nye, ranking Republican member, Senate Committee on Appropriations. (Approves recommendations 1, 2, 3, 4, 6, 7, and 8, but makes exception to recommendation 5. See attached comment.)

Senator George's comment:

"In my opinion the defense activities of the National Youth Administration and educational activities relating strictly to defense activities in the Bureau of Education should be continued in the agencies respectively unless a substantial saving could be made by combining the two."

Senator Nye's exception:

"I take exception respecting recommendation No. 5, relating to reductions in the Department of Agriculture."

"While I am confident that large savings can be accomplished in that Department, I am not ready to recommend just where and in what amount the savings shall be undertaken, without chance for searching study of the subject of effect in each recommended reduction."

"We must keep agriculture strong and ready for the adjustment that must follow the war. When we let agriculture down during and after the last war, we contributed largely to the economic break-down which finally encompassed the whole country. We must not repeat that experience."

Congressman CLARENCE CANNON, of Missouri, chairman of the House Appropriations Committee, participated actively in the preparation of the report, and was unexpectedly called home. The opportunity was not available to present the report to him for signature.

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TREASURY DEPARTMENT,
Washington, December 22, 1941.

HON. HARRY F. BYRD,
Chairman, Joint Committee on Reduction
of Nonessential Federal Expenditures,
United States Senate.

MY DEAR SENATOR: I am willing to sign that report of the Joint Committee on Reduction of Nonessential Federal Expenditures, subject, however, to my disagreement with the recommendations under "Agriculture." I disagree with the recommendations with respect to "Agriculture," and in lieu of the recommendations contained in the committee's report I desire to suggest the following:

"When I appeared before the committee on November 14, I stated that expenditures included in the Budget under the farm program which was initiated in 1933, after the catastrophic fall in prices in 1932, were designed mainly to meet conditions involving low prices for farm products, surplus production, and loss of export markets. Present conditions are radically different from those which the farm program was designed to meet. It is estimated that in 1941 the farmer's share of the national income will be 20

percent greater than in 1932, notwithstanding a reduction of almost 10 percent in the proportion of the farm population to the total population of the country. Although governmental aid was necessary in order to bring the farmer's net income from three and one-quarter billion dollars in 1932 up to eight and one-half billion dollars or more in 1941, certainly, after having reached this goal, there does not appear to be any reason to continue spending at the same rate. The farmer is getting his share of the total expenditures made by the Government, as the increase in his net income indicates. In addition, there are substantial benefits that will accrue to the farmer from the lend-lease program.

"In view of all these circumstances, I feel at this time that we should make drastic cuts in our agricultural expenditures, and I would recommend that the Secretary of Agriculture be required to operate the agricultural program included in the Budget with an annual appropriation of \$500,000,000 less than authorized for the current fiscal year.

"With respect to that part of the agricultural program carried on with funds borrowed from the Reconstruction Finance Corporation, I would want the committee to make a more thorough investigation of these activities before I make any definite recommendation for reductions in the amounts available for this purpose.

"I also raise a question about the recommendation (par. 1 of item No. 7, 'Reserves impounded') to cover into the Treasury all reserves set up by the Bureau of the Budget. Reserves are set up primarily to meet unforeseen contingencies and to avoid deficiencies. Many times these reserves result in large savings. It seems to me that if a general recommendation of this kind is adopted, it would defeat the very purpose for which reserves are created."

Sincerely yours,

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., December 23, 1941.

HON. HARRY F. BYRD,
Chairman, Joint Committee on Reduction
of Nonessential Federal Expenditures,
United States Senate.

MY DEAR SENATOR: While I have cooperated with the committee by making available the facilities of the Bureau of the Budget, in view of my position as head of the Bureau and my official participation in the preparation of the President's forthcoming 1943 Budget to be submitted January 3, I obviously cannot join in a report which may contain recommendations at variance therewith.

Sincerely yours,

HAROLD D. SMITH, Director.

MINORITY VIEWS OF MR. LA FOLLETTE
(Pursuant to sec 601 of the Revenue Act of 1941)

The sweeping recommendations of the majority of the committee are hasty and unwarranted. Although in presenting this dissenting report it is my purpose to deal only with some of the major items covered in the majority report, the brief hearings and scattering testimony, taken largely from secondary sources and carefully removed from public scrutiny by executive sessions and confidential hearings, do not justify, in my opinion, the conclusions reached by the committee.

Congressional approval of the recommendations would knock some of the major props of Federal support out from under our social structure in the lower income levels at a time when national unity and national

strength require that high morale and potential abilities be maintained and strengthened among the unfortunate one-third of our population, which has just cause for dissatisfaction with an economic and social system that has treated them shabbily. The various recommendations make a "whipping boy" of minor abuses and deficiencies in established Federal social programs which have proved their worth and need, while absolving or overlooking the major abuses and costly maladministration and much larger sums involved in the defense and war expenditures.

WAR EXPENDITURES NO ANSWER

War expenditures are no answer to the problems of public assistance. The direct and indirect benefits of this flow of Government money are meager and remote to many classes of people in many areas of the country. No matter how great, war expenditures can in no wise substitute for or alleviate the need of the bulk of present public assistance. To assume otherwise, as does the majority of the committee, is simply to deprive needy, worthy citizens of aid and to deprecate our present inadequate standards of public assistance.

Why war expenditures are no effective relief can easily be seen. In the first place, defense contracts have been awarded in a very distorted pattern in comparison with normal industrial activity. It is estimated that 12 States hold 71 percent of the value of all contracts; that 20 industrial areas have 59 percent. A few months ago it was shown that 56 corporations had 74 percent of the total value. In the second place, certain groups simply cannot share in defense employment for obvious reasons of unemployability, lack of requisite training, social or economic ties which prevent migration to job openings, or, even physical incapability or poor health which might very well be the result of present inadequate public assistance.

It is inconceivable that a government which is sorely pressed now for capable men and women in military and civilian capacities should exercise such short-sighted judgment as to eliminate or drastically cut those very activities which are rehabilitating and augmenting our potential manpower, by various means of public assistance.

INADEQUATE EVIDENCE

The recommendations for drastic curtailment of the social programs now administered by the National Youth Administration, Civilian Conservation Corps, and Work Projects Administration were made on the basis of about 10 hours of hearings, less than 50,000 words of testimony on this complex problem of public policy. More than 14 times as much testimony was taken by the House and Senate Appropriations Committees in making their recommendations for the current fiscal year. Similarly, the proposed changes in the agricultural program are based on less than 25,000 words of hearings. In complete contrast, the House Appropriations Committee alone took about 1,200,000 words of testimony on the 1942 agricultural appropriation bill.

The proposed reductions are wholly disproportionate to the respective values of the various Government services. It appears that they are based more on considerations of what can be most easily curtailed or eliminated rather than considerations of relative value of the services or simple fairness to all parts of the population. The underprivileged youth, the faltering or incapacitated or inefficient worker, the farmer, and others who have never had a chance to get started on the right road to help themselves because of lack of initial capital or initial training—all these, who have been receiving some, though meager, aid from the Federal Government would be deprived of their chance to help make this

country strong. It is sheer folly to build up the military defenses and at the same time neglect the problems of hunger and privation of millions of our Nation.

FUTURE NEEDS

Equally important to remember is the fact that post-war needs will require, more than ever before, well-perfected machinery to cope with post-war social and economic problems. To wreck the machinery now only to have to rebuild it from the ground up later may in the end be more costly than any immediate saving.

The Budget Bureau's initial report to the committee (which was prefaced with the warning "It is apparent that many of the indicated downward revisions would seriously impair the defense effort and other vital governmental activities" and with the explanation "it must be emphasized that the reductions discussed are in no sense a product of the normal budgetary process of request, review, and recommendation") suggested various allocations for hypothetical savings of \$1,000,000,000, one and one-half billion, and two billion. It is significant to note that even under the most severe curtailment program to which consideration was given by the Bureau, the Bureau did not recommend curtailments as severe as those now proposed by the committee for certain items.

For example, if the Budget Bureau were forced to achieve a billion-dollar reduction under the 1942 Budget (which apparently would be inadvisable in its own opinion), it would reduce the National Youth Administration and Civilian Conservation Corps by \$185,000,000. Yet this committee proposes to make a slash of almost double that amount and wipe out the whole so-called nondefense program. Under the same conditions, the Bureau of the Budget would cut the farm-security program by \$33,000,000. This committee recommends \$77,000,000—an unreasonable elimination of rural rehabilitation functions which have consistently met with the approval of Congress.

The greatest foe of democracy, the greatest threat to our domestic strength—a vital and necessary second line to military defense—is poverty and underprivilege. The Farm Security Administration, the National Youth Administration, the Civilian Conservation Corps, and the Work Projects Administration—each in its respective fields has waged war with some success against these antidemocratic forces. This is no time to discontinue a job that is so essential to the preservation of the Nation's human resources. We must not, in our sincere efforts to economize on nonessentials, blind ourselves to the dangers of losing what we cannot afford to lose.

RURAL POVERTY AND DISTRESS

Look at the facts, first, as to rural poverty and distress: It is estimated that in 1940—only last year—about one-fourth of all farm families, or 1,500,000 of them, made \$400 or less from their farms, including the value of farm-produced products for home consumption. This is \$2 or less per person per week. Another 1,000,000 farm families made less than \$750 a year, a weekly income of \$3 or less per person.

Naturally, improved farm prices have helped many of them increase their incomes. But a vast proportion of the Nation's low-income farm families actually produce a very small portion of the Nation's commercial farm output. They do not have the resources. They are out of the running.

Even in 1929 the lower half of American farmers produced for only 10 percent of the market for all commercially traded farm products; the other 90 percent of the market was supplied by the upper half of the farmers. In 1935 about a majority of our farms included less than one-sixth of the Nation's farm land. These small farmers do not profit

much from better farm prices. They are chronically disadvantaged.

About one-third of the Nation's farm families do not have access to a land resource (either directly as operators or individually as laborers) sufficient to support a decent living. Moreover, the trend toward diminishing resources for these people has been unmistakable.

These are indisputable facts. Their meaning to this Nation in time of all-out war is obvious. We cannot afford to abandon our efforts to try to cope with rural poverty.

One of the most serious results of poverty is poor health. Thousands of our farm families need better food, but they cannot get it without help. Thousands need medical care, but they cannot afford it.

Poor health on the farm means loss of the Nation's manpower. Most people know that about one-third of all Army volunteers are rejected for physical disability. It is also important to remember that a larger proportion of enlistments have come from rural areas. These areas have contributed more than their share to the Nation's ill health.

Americans must not overlook, either, that it is in the rural areas that the Nation's highest birth rates exist. A greater and greater portion of this democracy's future population is coming from the farm. And it is an established fact that the highest birth rates are in the poorest rural areas—the areas whose problems are being tackled by the Farm Security Administration today. This attack cannot be relaxed if we are to guarantee a strong democracy tomorrow.

It is true, of course, that there is some movement out of these areas. The tragedy of this migration, however, is twofold. In the first place, the people who move out carry with them the effects of their years of poverty and privation in disease, low morale, and backwardness. They become a net liability to the Nation even after they move. In the second place, the out-migration is not fast enough. The areas of the most acute farm problems are areas in which the population continues to grow, even in face of accelerated economic activity in towns and cities. There is no full employment in submarginal rural America.

In addition to the chronic forces, there have been adversities of a catastrophic nature that would have wrecked thousands of farmers if it had not been for assistance by the Federal Government through the Farm Security Administration. Droughts, floods, and similar disasters have hit great numbers of farmers within the past decade. In each instance they have been able to turn to the Government for aid through a machinery that exists in the Farm Security Administration.

WHAT THE FARM SECURITY ADMINISTRATION HAS DONE

No other agency in our Government has a more impressive record of helpful service to the people of this Nation than the Farm Security Administration. This agency has tackled the problems of rural poverty at the roots, where the strength of democracy lies.

In the past 6 years the Farm Security Administration has made rehabilitation loans to more than 900,000 low-income farm families to enable them to buy necessary operating goods, better use their resources, and add to their productive capital. It has taught them how to produce their own food in sufficient quantities for good health. It has shown them how to farm so as to save the land and increase their production. It has taught them skills and new methods of farm and home management.

As a result of these rehabilitation loans, which are but one of the phases of the Farm Security Administration program, these low-income families have increased their annual net incomes by a total of more than \$75,000,-

000, or 35 percent, over the year before coming on the program. In addition, they have increased their net worth—the total value of their belongings and productive equipment, over and above all debts, including their loans from the Government—by nearly \$80,000,000, or 21 percent.

At the heart of this great record has been the families' own efforts to produce their own food and feed. These families, in 1940, increased the value of the goods produced for farm and home use by more than 60 percent over the year before coming on the program. In their stock pile of healthful food during 1940 was an average of 391 gallons of milk per family, 266 quarts of fruits and vegetables canned, and 391 pounds of meat preserved.

Moreover, these families increased the land resources at their disposal and added to their stock of tools and equipment and livestock with which permanent rehabilitation is made possible.

The Farm Security Administration has also helped more than 22,000 tenant-farm families to become owners as a result of the tenant purchase program. The tenant purchase program has brought the American dream of farm and home ownership to families that otherwise would not have been able to achieve it.

With tenant purchase loans these families have bought family type farms capable of providing them with a decent living. Costs are spread over a 40-year period. A recent report shows that this Government activity has the remarkable record of repayments of 96.5 percent of principal and interest due as of June 30, 1941.

One of the truly remarkable features of the Farm Security Administration program is the smallness of its cost. It has been estimated that the cost of rehabilitating a disadvantaged farm family on the Farm Security Administration program is less than \$75 a year. This figure includes the expenses of teaching the families new and better farming methods, helping them get better leases, losses on all loans advanced to them for livestock and equipment, grants made for direct subsistence purposes, and total administrative expenses.

This figure is all the more remarkable when compared with the expense of maintaining a farm family on work relief. This would amount to at least \$800 a year, and the family would be little better off after the year's end. Rehabilitation provides for long-run security.

In this connection, an appraisal of Secretary Morgenthau is appropriate. In a statement to the committee under date of November 14, 1941, he said:

"I should like it understood that in making the suggestion that this class of farm expenditures should be reexamined I do not refer to the bulk of activities undertaken by the Farm Security Administration, inasmuch as the need for much of their expenditures is, in my opinion, still urgent.

"Just as I suggested earlier that there should be no reduction of expenditures for the help of the undernourished, so I believe that there should be no reduction in our help of the sharecroppers and farm tenants who are in urgent and continuing need of economic rehabilitation."

PAST CONGRESSIONAL ATTITUDE

The action of this committee in recommending the elimination of the activities of the Farm Security Administration stands in direct contradiction to the consistent and steadfast policy of the Senate and the Congress in extending aid to low-income farmers.

As early as June 24, 1935, the Senate passed S. 2367, which had for its purposes the promotion of more secure occupancy of farms and farm homes, the correction of the economic instability resulting from some forms of farm tenancy, and the establishment of a

rural rehabilitation program. In the following year the work of the Resettlement Administration, which had been set up by Executive order, was recognized in the Bankhead-Black Act of June 29, 1936.

On July 22, 1937, the Bankhead-Jones Farm Tenant Act (50 Stat. 552) was enacted to encourage and promote the ownership of farm homes, and authorized the making of rehabilitation loans to farm owners, farm tenants, farm laborers, and sharecroppers. This act created the Farm Security Administration, which took over the work of the old Resettlement Administration.

The Bankhead-Jones Farm Tenant Act was based largely on the recommendations of the President's Committee on Farm Tenancy which had made an exhaustive report on the problems of underprivileged farmers, with recommendations to Congress, in 1937. This committee was made up of a representative group of American leaders from all walks of life who were cognizant of and interested in the problems of rural people. The committee's report, recommended the need for a continuing Federal organization to aid in alleviating these problems.

Since the establishment of the Farm Security Administration, the Senate has passed legislation aimed at greatly expanding the activities of the Farm Security Administration in the promotion of farm ownership. On June 28, 1939, the so-called Austin amendment to the Bankhead-Jones Farm Tenant Act was passed by the Senate providing that loans be made not only to enable small tenant farmers to acquire farms and make necessary repairs and improvements, but also to enable them to refinance existing mortgages on farms.

On July 6, 1939, the Senate passed S. 1836, the so-called Lee bill, providing for Government-insured loans to farmers, the encouragement of sale of farms held by absentee owners to farm tenants, and the making of long-term, low-interest-rate loans on farms.

On July 10 of the same year Senator BARKLEY introduced S. 2758, providing for the construction and financing of self-liquidating Government projects, including a total of \$500,000,000 for loans to enable farm tenants to become owners.

Throughout the years the Senate and the Congress have given interest and support to the program. The committee's present recommendation is an about-face.

FEDERAL AID TO YOUTH

Another major category of Federal assistance to the underprivileged is the aid for needy youth, administered by the National Youth Administration and Civilian Conservation Corps. The majority of the committee has seen fit to recommend that the aids be discontinued and the programs and organizations be abolished except so-called defense activities that are to be continued under the supervision of "some suitable agency."

The recommendation is based on a dangerously false conception of defense activities and upon a mistaken belief that the war situation permits the Federal Government to shirk obligations which it could not afford to neglect in peacetime. If it is necessary to preserve the morale of youth when the Nation is not in danger, it is doubly important when the national security is at stake. What is more, these agencies can and have prepared the youth of the Nation to fill more capably their places in the civilian and military establishments of the country.

The elimination of those activities which are not included in the narrow definition of defense training would have a serious effect upon the morale of thousands of young people and their families.

For example, school-lunch projects operated by such agencies as the Work Projects Administration and National Youth Administration are helping over 3,000,000 children in poor

families with highly beneficial results in health and morale. Many other National Youth Administration activities, such as public health and hospital work, assistance in nursery schools for children whose mothers must work, and similar activities, are positive contributions—much more than is generally realized—to the morale and well-being of the people who must produce the munitions and materials of war. To eliminate these functions would be a step in the wrong direction.

The Nation's hospitals and public-health services, overburdened in peacetime, are now of unique importance to keep workers on the production line. Twelve thousand young people are receiving experience and training in hospital and health work through the National Youth Administration program, and many thousands more are needed to meet the increasing need for health and hospital services, as well as to replace the people in these occupations who are going to the military services and overseas.

With more married women working, and the consequent problems that are arising in the communities of war industries, the need for adequate care of children of working mothers is increasing rather than decreasing. The States and cities have never undertaken to provide in any adequate way for the day care of preschool children, and the facilities of private agencies are already overburdened. If we are to take advantage in our war industries of the skills of mothers, we must provide at least minimum facilities to care for their small children while they are at work.

Both the National Youth Administration and the Civilian Conservation Corps, by giving inexperienced youth the opportunity for work experience and preemployment training, are providing our war industries with a supply of qualified workers that would not otherwise be made available. During the 11-month period January through November 1941, nearly 400,000 youth were enabled to leave National Youth Administration projects to take private employment. The Civilian Conservation Corps, similarly, is at present supplying private industry with 8,000 to 10,000 young men monthly—young men who have learned the rudiments of work training and experience and whom employers praise highly. Those who have or will become a part of our armed or naval forces are better material because of their training in the National Youth Administration or Civilian Conservation Corps. General Marshall is authority for the interesting statement that one-fourth of all the cooks in the Army are former Civilian Conservation Corps cooks, where a large share of them received their initial training. This record is concrete evidence that industry and government want and need workers with National Youth Administration and Civilian Conservation Corps work experience.

NATIONAL YOUTH ADMINISTRATION STUDENT- WORK PROGRAMS

The recommendations made by the majority of this committee include elimination of the National Youth Administration student-work program. This is a recommendation for the scrapping of a program that has helped over a million low-income families and that is now affecting nearly 400,000 such families. Through this program, education has been made more effectively free to families that cannot afford to maintain their children in school. Needy students, selected by local school officials, are now given part-time work so they can earn sufficient wages to remain in school and continue their education. Payments average about \$4.50 a month in high schools and \$12.50 in colleges. The average annual income of the families of these students, in the academic year 1939-40, was less than \$650, with 20.9 percent earning less than \$300 and 67.4 percent having annual incomes of less than \$900.

The Federal Government has not developed a single program that reaches and assists so many families and individuals at so low a cost per person benefited. The \$23,100,000 that was originally appropriated for this program during the current fiscal year would have reached over 500,000 low-income families through the students that would be employed. Over 90 percent of the schools in the country, 1,600 colleges and 27,000 high schools, are participating in the program. Each one of these schools and colleges will be vitally affected by any decision to eliminate the National Youth Administration student-work program, and the effect on the morale and physical well-being of the students and their families will be anything but favorable.

DEFENSE TRAINING

Placing these defense-training activities under some different agency (as the majority of the committee recommends) would not increase the training facilities of the country. Nor would it eliminate any so-called duplication between the training programs of the several agencies engaged in training. The fact is that the National Youth Administration training program and the training programs operated under the Office of Education supplement and strengthen each other, rather than overlap. The National Youth Administration program reaches youth who have left school and are between the ages of 17 and 24. The training they are given on National Youth Administration projects is of a preemployment production type that gives them actual experience in the use of tools and machinery, and builds the skills basic to good workmanship. The vocational schools are concentrating their efforts upon upgrading and refresher training, to enable persons with previous work experience to acquire additional and to polish up rusty skills. Schools are also providing classroom instruction of a preemployment character to supplement the work experience the youth obtains on the National Youth Administration project. Thus, the youth on the projects learn by doing a job and by receiving related training in the schools. He has the benefit of both practical work experience and classroom instruction. This combination represents the flexible and practical type of training that industry needs. The function of each type of training, on-the-job training, and classroom instruction, is clearly defined and there is no duplication of effort.

If the National Youth Administration training activities are placed under some other agency, the same type of activities would have to be carried out or the whole training program would suffer. The schools, however, which are already overburdened by their present load, would have to assume the additional administrative and supervisory functions involved in the National Youth Administration program, additional functions that they are not able to undertake. It would be detrimental to the best interests of the school system to saddle them with this additional burden.

The present geographical distribution of the vocational-school facilities of the country also furnishes reasons for rejecting the recommendations of the majority of this committee. Vocational schools are expensive to establish and maintain, and in spite of Federal aid in the past, vocational-school facilities tend to be located in the urban and wealthier sections of the country. Ten States have over 70 percent of the full-time vocational-school facilities in this country. There exist large sections of the country, particularly in the South and the Midwest, where vocational-school facilities are relatively scarce, and, what is equally important, where there are large numbers of youth who cannot afford to attend the schools that are available. It is in these sections, where few contracts for war

material have been let, that the need for a program that provides the training and wages available on National Youth Administration projects is as vital now as it ever was.

The National Youth Administration has established a highly developed training mechanism that reaches into all sections of the country, rural as well as urban. Before its recent drastic reduction, National Youth Administration projects were operating in all but 250 of the counties of the United States. Together with the school facilities, the National Youth Administration provides a training system that taps the pools of unused labor supply and makes them available for work in war industries. By giving these youth a chance to acquire preemployment training, and then guiding them, through the State employment offices, to areas where their services are needed by war industries, disorganized mass migrations of workers are reduced, thus helping eliminate the chaotic problems of bad housing and overcrowded conditions that already characterize too many defense areas.

OTHER BENEFITS OF THE YOUTH PROGRAMS

The benefits of the various Government youth programs can be measured, not only in benefits accruing to the youth but also in tangible physical accomplishments of benefit to the Nation as a whole. The Civilian Conservation Corps, for example, has planted two and one-half billion trees that will be worth \$260,000,000 in commercial timber 25 years from now if we maintain fire protection. Soil-erosion control has been effected for 25,000,000 acres of land, with more than 5,000,000 dams to check the rush of water and mud. The value of National, State, and local parks and forests has been immeasurably enhanced. Lodges, bridges, cabins, and dams involving sturdy difficult construction work have become notable additions to public vacation lands, and have provided first-class experience in the basic elements of carpentry, stone masonry, concrete work, and many other occupations so essential now to national defense.

WORK-RELIEF PUBLIC ASSISTANCE

The committee recommends a substantial reduction in general public assistance in the form of work relief. Unfortunately, the present high levels of employment and production have given the erroneous impression that Federal work relief is now unnecessary. The complete facts tell an entirely different story. According to best available estimates, unemployment in October approximated 4,000,000 persons. Only 1 out of 4 was on the Work Projects Administration program, and at least twice as many were eligible on the basis of present standards.

Because of technological advance and a steady growth of the labor market, the number of unemployed now is vastly in excess of that in comparable periods of high production. Although depending upon which of several widely different estimates are used, it appears likely that the present level of unemployment is at least three or four times as great as 1929.

An ominous factor in the present situation is the portending priorities unemployment arising out of raw-material shortages. Various careful studies have indicated from one and one-half to three million workers will be displaced during the transition from civilian to defense production. Now that more recent events have indicated an accelerated diversion of raw materials from civilian industries, it appears these former estimates are understatements.

Except for unemployment compensation, which will cushion only a part of the impact, because many workers are eligible for little or no compensation, there is no Federal program which can take care of these people until and if they receive defense employment, other than Work Projects Administration.

As for the outlook for defense employment, it cannot be emphasized too strongly that the awarding of defense contracts has been very spotty in geographic distribution. As stated previously, 12 States hold about 71 percent of all the defense contracts; 20 industrial areas with only 26 percent of total Work Projects Administration employment hold 59 percent of the defense contracts. The present indications are that of job openings in the next year 93 percent will be concentrated in 21 States; 50 percent will be in 6 States.

The relative unemployability of many persons is another factor. Advancing age, particularly, may be a severe handicap in reorientation and learning a new job. It is highly significant that the average age of those persons working for the Work Projects Administration is now about 43, as compared with an average age of 37 a few years ago.

That the States and localities are unable to carry this load is best attested by the data on general relief which show that recipients are receiving niggardly payments. Furthermore, local public-welfare resources are being seriously affected in some areas by Federal purchases of large tracts of land or the building of Federal production plants that are not taxable by State and local governments, although greatly increased local costs are incurred by the influx of defense workers. In short, the national emergency has aggravated a situation that was already serious.

Still another factor bearing on the situation is the increased cost of living. Whereas other groups in the population can tighten their belts a notch when confronted with rising prices, increased taxes, and the like, those living on Work Projects Administration wages cannot reduce their standard of living without impairing health and physical well-being. Hence it is only proper that Work Projects Administration wages must in some degree follow increases in cost of living (such adjustments have already been made) but with each increase of that nature, the aggregate fund must be increased to take care of any given number of recipients.

Finally, it must not be overlooked that Work Projects Administration activities to a large extent are directly tied in with national defense. More than one-third of the total number on the rolls, about 350,000 persons, are engaged in various defense projects: In connection with military posts; airports; sewer and water systems for military cantonments; construction of strategic roads, sidewalks, and communication lines; and even reclaiming of land for military uses. Were it not for the extensive airport and airway work of the Work Projects Administration in past years, aviation in the United States would not have progressed as it has.

SURPLUS MARKETING ADMINISTRATION

The majority of the committee has recommended a cut of \$100,000,000 in the funds for the various programs of the Surplus Marketing Administration—or a reduction of almost 45 percent in the total funds available this year from customs receipts and direct appropriations (\$98,000,000 and \$125,000,000, respectively), for the food-stamp plan, cotton-stamp plan, school-lunch program, and direct distribution of surplus commodities to needy people. The recommendation is made on the theory that Government food purchases under the lend-lease program obviate the need for continuation of the domestic programs at present levels.

It is true that lend-lease buying has bolstered prices of certain farm products (it can even be said that some prices and some production have been raised and distorted too much for the ultimate good of the producer) but this in itself is no justification for scuttling the domestic program.

The Surplus Marketing Administration program is predicated on two basic considerations: (1) To provide stable and adequate

markets for farm produce, and (2) to supply nutritive, health-giving foods, and cotton clothing, to millions of undernourished and underclothed fellow citizens. Lend-lease buying helps to accomplish the former, but it does nothing to help our own urban populations suffering from lack of food or clothing. Nor is lend-lease buying based on the principle of taking surpluses off the market; it is based primarily on foreign needs and only secondarily to the disposal of surpluses.

In this respect, lend-lease buying actually intensifies the need for greater assistance in the procurement of an adequate diet for our low-income groups, because purchases which are not surplus purchases have the effect of increasing prices beyond the range of low-income groups.

In effect, therefore, lend-lease buying has not solved the market problems which equivalent dollars of regular Surplus Marketing Administration funds would do. Numerous commodities are still in need of market support. On the other hand, new public dietary problems have arisen as a direct consequence of lend-lease buying.

Malnutrition in America: The malnutrition prevalent in America is a shocking and inexcusable situation. Studies of the Bureau of Labor Statistics and of the Public Health Service show that alarming dietary deficiencies exist among a large proportion of relief clients and low-income families. The Surplus Marketing Administration program, with its food-consumption subsidies, has made a notable advance toward better national nutrition and better national health. It is incongruous that a program which admittedly has such an intimate relationship with the health and production efficiency of the individual worker should be curtailed at a time when maximum production and efficiency is essential to the war effort.

In factual terms, this is the excellent record of the Surplus Marketing Administration insofar as national nutrition is concerned.

Stamp plan: The food-stamp program now reaches about 4,000,000 persons of nearly 11,000,000 persons receiving public assistance. It is now operating in 395 areas, which cover approximately 1,200 counties. The program now covers nearly 60 percent of the population, but in terms of the physical area of the United States about 45 percent. Of the 1,800 counties not now under the program, requests have been received from approximately 1,000 counties. Expenditures are now made at the rate of about \$9,500,000 per month for blue stamps—the stamps which are given free at the rate of one to two to certified public assistance persons buying orange stamps.

If placed on a national basis, it is estimated that the food-stamp program would now cost about \$220,000,000 a year. The most optimistic estimates of the reduction of the number of public assistance people in case of full employment are that we would still have about seven or eight million persons receiving public assistance, including the blind, the crippled, the aged, orphans, and other groups.

School lunches and direct purchase: Financed also out of present funds is the school-lunch program. Approximately 4,500,000 school lunches are now being served daily, relying largely upon food purchases made by the Surplus Marketing Administration. The total number of school children in the country is 27,000,000 plus. More than 9,000,000 are estimated to have unmet nutritional needs, many of them of a very serious type. This program is now on the increase with the goal for this winter set at 6,500,000 children. It represents an expenditure of about \$25,000,000.

Purchase for the direct distribution of surplus foods for the last fiscal year totaled about \$67,000,000. The rate of purchase this year is lower. But demand is increasing,

particularly in (1) flood-stricken farm areas of east Texas, Louisiana, Mississippi, and Arkansas; (2) areas where the defense program has produced little employment; (3) areas where the defense program is already resulting, and is likely to result further, in substantial disemployment, due to the nature of local industry, priorities, strategic material shortages, etc.

It is important to maintain the framework of this type of machinery because direct distribution is one of the simplest ways to supply foodstuffs for the destitute, to quickly eliminate market gluts, and to meet serious post-war situations arising out of reduced national income, increased unemployment and lower farm prices.

Relief-milk distribution: Still another activity is relief-milk distribution. Reduced-milk-price programs now are carried on at an expenditure rate of about \$12,000,000 a year. This framework, both on surplus disposal and nutritional grounds, needs to be expanded. It is needed to carry off excess milk which may result from the production-goal program and this outlet is needed in connection with price support assurances given in connection with cheese, evaporated milk, and dry skim milk. On nutritional grounds Federal policy probably should be geared to some assured minimum milk allowance in this country for every growing child, nursing or pregnant mother, etc.

The Surplus Marketing Administration and the farmer: The other coordinate activity of the Surplus Marketing Administration relates to the farmer and agricultural marketing. As previously mentioned, some of the pressure of the problem of surplus commodities has been relieved by lend-lease purchases. Yet, the problem is not squarely met because lend-lease needs do not necessarily coincide with our surpluses nor are they timed nor flexible enough to meet sudden shifts in market supply.

These new factors are injected into the picture: The Government has made commitments to the farmers to obtain certain production increases. Necessarily, this involves great risks to the farmer because increasing or decreasing farm production is not an exact, but a hazardous process. It is not unlikely that production goals will be overshoot for individual commodities in individual areas at certain times. There are many commodities where production in quantitative terms cannot be forecast because of the weather and other factors. For instance, it is possible to increase many vegetable crops by as much as 30 or 40 percent. Also, it is desirable to meet unusual market situations such as are constantly arising.

The Government has a moral commitment to support prices of the commodities which it has encouraged farmers to produce in greater quantity. The program of the Surplus Marketing Administration is a flexible framework for support in any contingency. Having machinery and funds available which can promptly move price depressing surpluses is of extreme importance because of the large number and variety of products produced on American farms. The impact of demand and price is not equal for all.

CONCLUSION

To me, the conclusion is inescapable that almost the full impact of the recommendations of the majority of the committee would, if enacted, fall almost entirely on the very lowest income groups among our population. This action would be unwise in time of peace; confronted with total war which may be of long duration, I regard it as a grave error in policy.

High morale—in fact, the very essence of dynamic democracy—is dependent upon a whole nation enjoying at least a minimum of the necessities and comforts of life. All the social legislation of the past decades, all of the

trends toward greater public assistance for the underprivileged have had the wholesome effect of tending to make democracy a reality in America. To the extent that the programs have been successful they have given hope to millions that some day equality of opportunity may be achieved.

To cripple or destroy the efforts which have thus far been made in this direction will have an adverse effect upon morale at the very time when we should be redoubling our efforts to build it up. To accept the report of the majority of the committee will shake the confidence of millions of people that the sacrifices of war are to be equitably apportioned among all sections of the population.

The recommendations to economize at the expense of low-income families and the unemployed are in the face of widespread continuing need in large sections of our Nation. It is a well recognized fact that war-industry orders have for the most part been concentrated in a few areas. Nor do higher farm prices answer the problems of many of the people in these States. The fact is that in many States, especially the States of the South, many farmers' crops have been so meager that they are in a more desperate situation than has been true for the past several years.

Curtailment of nonessential industries has had the effect of putting many of our people out of work. The war boom has created a sort of prosperity in some sections of the Nation, but it has caused serious and ruinous dislocations in others. In towns and cities where there have been no war-industry controls, skilled workers have picked up their belongings and moved to centers having war contracts. As a result, new ghost towns are appearing overnight all over America.

In effect, the committee is recommending to take from the many who have not benefited from the war-industry effort the small aids which up to now have been provided. This will pile injury on top of injury. First we locate war contracts in a few States to the exclusion of the thousands of small firms and small communities. This drains off the key workers of the excluded areas and leaves them in weakened condition. We are asked to take from them such Government aids that remain. If they had need of Government aids before these new dislocations occurred, they have greater need of them now.

No one can disagree with the general objective of reducing waste and all nonessential expenditures of government. The crux of the matter is, "What is nonessential?" and "Where is the waste?" My own view is that the various social programs which the majority of the committee would eliminate are vital to the successful conduct of total war. The entire civil arm of the Government will spend in this fiscal year \$6,600,000,000. Defense and war will cost at least \$21,000,000,000. It is my contention that the majority report attempts to save at the spigot by drastic curtailment of essential aid to the underprivileged while the waste occurs at the bung hole of war and defense.

ROBERT M. LA FOLLETTE, JR.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on December 23, 1941, that committee presented to the President of the United States the following enrolled bills:

S. 793. An act to provide for a national cemetery in the vicinity of Portland, Oreg.;

S. 1994. An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries;

S. 2082. An act extending the provisions of Public Law 47, Seventy-seventh Congress, to State directors of selective service and members of alien enemy hearing boards; and

S. 2086. An act to authorize the employment of nationals of the United States on

any public work of the United States in the Territory of Hawaii.

BILL INTRODUCED

Mr. THOMAS of Oklahoma introduced a bill (S. 2156) to assist in the control of inflation and to promote the national defense through the sale of defense stamps, saving certificates and bonds, and for other purposes, which was read twice by its title and referred to the Committee on Banking and Currency.

AMERICA AT WAR—ADDRESS BY SENATOR TAFT

[Mr. THOMAS of Idaho asked and obtained leave to have printed in the RECORD an address entitled "The United States of America at War," delivered today by Senator TAFT before the Executives Club of Chicago, which appears in the Appendix.]

CONFIRMATION OF EXECUTIVE NOMINATIONS

Mr. BARKLEY. Mr. President, I ask unanimous consent that, as in executive session, the Senate proceed to consider the calendar of executive nominations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. If there be no further reports of committees, as in executive session, the clerk will state the nominations on the calendar.

WORK PROJECTS ADMINISTRATION

The Chief Clerk read the nomination of Paul Edwards, of the District of Columbia, to be administrator for Puerto Rico and the Virgin Islands.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the postmaster nominations are confirmed en bloc.

Mr. BARKLEY. I ask unanimous consent that the President be notified of all nominations confirmed today.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

PROGRAM OF TODAY'S SESSION AND ORDER FOR ADJOURNMENT TO TUESDAY

Mr. BARKLEY. Mr. President, in a few moments the Members of the House will come to the Senate Chamber in a

body and other distinguished guests will be here to listen to the address to be delivered by the Right Honorable Winston Churchill, Prime Minister of Great Britain. After the House assembles in the Chamber, I shall suggest that the Presiding Officer of the Senate and the Speaker pro tempore of the House of Representatives appoint a committee of three to escort our distinguished guest into the Chamber.

After that shall be accomplished I shall ask that the Senate stand in recess during the proceedings which are to follow, and that, at the conclusion of Mr. Churchill's address the Senate stand adjourned until 12 o'clock noon on Tuesday next.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR PRINTING PROCEEDINGS (S. DOC. NO. 153)

Mr. BARKLEY. Mr. President, I now ask, in advance, that the proceedings during the recess of the Senate and during the informal joint session, including the address of the Prime Minister of Great Britain, be published in the RECORD as a part of the Senate proceedings, and be made a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

The order as agreed to was reduced to writing, as follows:

Ordered, That the address of the Right Honorable Winston Churchill, delivered before the Senate of the United States on December 26, 1941, together with the proceedings incident thereto, be printed as a Senate document.

ADDRESS BY RT. HON. WINSTON CHURCHILL, PRIME MINISTER OF GREAT BRITAIN

The Senate being in recess,

The House of Representatives, preceded by the Clerk, South Trimble, and the Sergeant at Arms, Kenneth Romney, and headed by the Speaker pro tempore, Hon. WILLIAM P. COLE, Jr., of Maryland, entered the Chamber.

The Speaker pro tempore was escorted to the chair to the right of the Vice President, and the Members of the House of Representatives were escorted to the seats assigned to them.

The members of the Cabinet of the President of the United States entered the Chamber and were escorted to the seats assigned to them.

The Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States, headed by the Marshal, Thomas E. Waggaman, and the Clerk, Charles E. Cropley, entered the Chamber, and were escorted to the seats assigned to them.

Chiefs of the diplomatic missions in Washington entered the Chamber, and were escorted to the seats assigned to them.

Mr. BARKLEY. Mr. President, I ask that on the part of the Senate the Vice President appoint a committee of three, and that the Speaker pro tempore of the House of Representatives appoint a similar committee, to escort our distinguished guest into the Senate Chamber.

The VICE PRESIDENT. Without objection, it is so ordered. The Chair

appoints on the part of the Senate, as the committee to escort the Prime Minister of Great Britain into the Chamber, the Senator from Kentucky [Mr. BARKLEY], the Senator from Oregon [Mr. McNARY], and the Senator from Georgia [Mr. GEORGE].

The SPEAKER pro tempore. The Speaker pro tempore appoints as members of the committee on the part of the House of Representatives to escort the Prime Minister into the Chamber, Mr. BOEHNE, of Indiana; Mr. LUTHER A. JOHNSON, of Texas; and Mr. MICHENER, of Michigan.

At 12 o'clock and 30 minutes, p. m., Rt. Hon. Winston Churchill, escorted by the committees of the two Houses, and accompanied by his personal assistant, Commander C. R. Thompson, R. N.; J. M. Martin, Esq., private secretary; Sir Charles Wilson, president of the Royal College of Physicians of London, England; and Capt. F. D. W. Brown, private secretary, entered the Chamber, and was escorted to a seat on the rostrum in front of the Vice President and the Speaker pro tempore of the House of Representatives.

The VICE PRESIDENT. Members of the Senate and guests of the Senate, the Prime Minister of Great Britain, the Right Honorable Winston Churchill. [Prolonged applause.]

Mr. CHURCHILL. Members of the Senate and of the House of Representatives of the United States, I feel greatly honored that you should have invited me to enter the United States Senate Chamber and address the representatives of both branches of Congress.

The fact that my American forebears have for so many generations played their part in the life of the United States, and that here I am, an Englishman, welcomed in your midst, makes this experience one of the most moving and thrilling in my life, which is already long and has not been entirely uneventful. [Laughter.]

I wish indeed that my mother, whose memory I cherish across the vale of years, could have been here to see. By the way, I cannot help reflecting that if my father had been American and my mother British, instead of the other way round, I might have got here on my own. [Laughter and applause.] In that case, this would not have been the first time you would have heard my voice. In that case, I should not have needed any invitation; but, if I had, it is hardly likely that it would have been unanimous. [Laughter.] So perhaps things are better as they are.

I may confess, however, that I do not feel quite like a fish out of water in a legislative assembly where English is spoken. I am a child of the House of Commons. I was brought up in my father's house to believe in democracy. "Trust the people"—that was his message. I used to see him cheered at meetings and in the streets by crowds of workmen away back in those aristocratic Victorian days when, as Disraeli said, the world was for the few, and for the very few. Therefore I have been in full harmony all my life with the tides which have flowed on both sides of the Atlantic against privilege and monop-

oly and have steered confidently toward the Gettysburg ideal of "government of the people, by the people, for the people." [Applause.]

I owe my advancement entirely to the House of Commons, whose servant I am. In my country, as in yours, public men are proud to be the servants of the state, and would be ashamed to be its masters. On any day, if they thought the people wanted it, the House of Commons could by a simple vote remove me from my office. But I am not worrying about it at all. [Laughter.] As a matter of fact, I am sure they will approve very highly of my journey here—for which I obtained the King's permission—in order to meet the President of the United States [applause] and to arrange with him for all that mapping out of our military plans, and for all those intimate meetings of the high officers of the armed services of both countries which are indispensable to the successful prosecution of the war.

I should like to say, first of all, how much I have been impressed and encouraged by the breadth of view and sense of proportion which I have found in all quarters over here to which I have had access. Anyone who did not understand the size and solidarity of the foundations of the United States might easily have expected to find an excited, disturbed, self-centered atmosphere, with all minds fixed upon the novel, startling, and painful episodes of sudden war as they hit America. After all, the United States has been attacked and set upon by three most powerfully armed dictator states, the greatest military power in Europe, and the greatest military power in Asia. Japan, Germany, and Italy have all declared and are making war upon you, and a quarrel is opened which can only end in their overthrow or yours. But here in Washington, in these memorable days, I have found an Olympian fortitude which, far from being based upon complacency, is only the mask of an inflexible purpose and the proof of a sure and well-grounded confidence in the final outcome. [Applause.] We in Britain had the same feeling in our darkest days. We, too, were sure that in the end all would be well.

You do not, I am certain, underrate the severity of the ordeal to which you and we have still to be subjected. The forces ranged against us are enormous; they are bitter; they are ruthless. The wicked men and their factions who have launched their peoples on the path of war and conquest know that they will be called to terrible account if they can not beat down by force of arms the peoples they have assailed. They will stop at nothing. They have a vast accumulation of war weapons of all kinds; they have highly-trained and disciplined armies, navies, and air services; they have plans and designs which have long been contrived and matured; they will stop at nothing that violence or treachery can suggest.

It is quite true that on our side our resources in manpower and in materials are far greater than theirs; but only a portion of your resources are as yet mobilized and developed, and we have both of us much to learn in the cruel art of

war. We have, therefore, without doubt, a time of tribulation before us. In this time some ground will be lost which it will be hard and costly to regain. Many disappointments and unpleasant surprises await us. Many of them will afflict us before the full marshalling of our latent and total power can be accomplished.

For the best part of 20 years the youth of Britain and America have been taught that war was evil, which is true, and that it would never come again, which has been proved false.

For the best part of 20 years the youth of Germany, Japan, and Italy have been taught that aggressive war is the noblest duty of the citizen, and that it should be begun as soon as the necessary weapons and organization have been made. We have performed the duties and tasks of peace. They have plotted and planned for war. This naturally has placed us in Britain, and now places you in the United States, at a disadvantage which only time, courage, and straining, untiring exertions can correct.

We have, indeed, to be thankful that so much time has been granted to us. If Germany had tried to invade the British Isles after the French collapse in June 1940, and if Japan had declared war on the British Empire and the United States at about the same date, no one can say what disasters and agonies might not have been our lot. But now, at the end of December 1941, our transformation from easygoing peace to total-war efficiency has made very great progress. The broad flow of munitions in Great Britain has already begun. Immense strides have been made in the conversion of American industry to military purposes, and now that the United States is at war, it is possible for orders to be given every day which a year or 18 months hence will produce results in war power beyond anything which has yet been seen or foreseen in the dictator states. Provided that every effort is made, that nothing is kept back, that the whole manpower, brainpower, virility, valour, and civic virtue of the English-speaking world, with all its galaxy of loyal, friendly, or associated communities and states, are bent unremittingly to the simple but supreme task, I think it would be reasonable to hope that the end of 1942 will see us quite definitely in a better position than we are now [applause], and that the year 1943 will enable us to assume the initiative upon an ample scale. [Applause.]

Some people may be startled or momentarily depressed when, like your President, I speak of a long and a hard war. Our peoples would rather know the truth, sombre though it be; and, after all, when we are doing the noblest work in the world, not only defending our hearths and homes but the cause of freedom in every land, the question of whether deliverance comes in 1942, or 1943, or 1944, falls into its proper place in the grand proportions of human history. [Applause.] Sure I am that this day, now, we are the masters of our fate; that the task which has been set for us is not above our strength, and that its pangs and toils are not beyond our endurance. As long

as we have faith in our cause and unconquerable will power, salvation will not be denied us. In the words of the Psalmist:

He shall not be afraid of evil tidings: his heart is fixed, trusting in the Lord.

Not all the tidings will be evil. On the contrary, mighty strokes of war have already been dealt against the enemy. The glorious defense of their native soil by the Russian Armies and people have inflicted wounds upon the Nazi tyranny and system which have bitten deep, and will fester and inflame not only in the Nazi body but in the Nazi mind. [Applause.]

The boastful Mussolini [laughter] has crumpled already. He is now but a lackey and serf, the merest utensil of his master's will. [Laughter and applause.] He has inflicted great suffering and wrong upon his own industrious people. He has been stripped of all his African empire. Abyssinia has been liberated. Our armies of the east, which were so weak and ill equipped at the moment of French desertion, now control all the regions from Teheran to Benghazi, and from Aleppo to Cyprus and the sources of the Nile. [Applause.]

For many months we devoted ourselves to preparing to take the offensive in Libya. The very considerable battle which has been proceeding for the last 6 weeks in the desert has been most fiercely fought on both sides. Owing to the difficulties of supply on the desert flank we were never able to bring numerically equal forces to bear upon the enemy. Therefore we had to rely upon a superiority in the numbers and quality of tanks and aircraft, British and American. Aided by these, for the first time we have fought the enemy with equal weapons. For the first time we have made the Hun feel the sharp edge of those tools with which he has enslaved Europe. The armed force of the enemy in Cyrenaica amounted to 150,000 men, of whom about a third were Germans. General Auchinleck set out to destroy totally that armed force; and I have every reason to believe that his aim will be fully accomplished. [Applause.]

I am so glad to be able to place before you, Members of the Senate and of the House of Representatives, at this moment when you are entering the war, proof that, with proper weapons and proper organization, we are able to beat the life out of the savage Nazi. [Applause.] What Hitler is suffering in Libya is only a sample and a foretaste of what we must give him and his accomplices wherever this war shall lead us, in every quarter of the globe.

There are good tidings also from blue water. The life line of supplies which joins our two nations across the ocean, without which all might fail, is flowing steadily and freely, in spite of all the enemy can do. It is a fact that the British Empire, which many thought 18 months ago was broken and ruined, is now incomparably stronger and is growing stronger with every month. [Applause.]

Lastly, if you will forgive me for saying it, to me the best tidings of all, the United States—united as never before—has drawn the sword for Freedom, and cast away the scabbard. [Applause.]

All these tremendous facts have led the subjugated peoples of Europe to lift up their heads again in hope. They have put aside forever the shameful temptation of resigning themselves to the conqueror's will. Hope has returned to the hearts of scores of millions of men and women, and with that hope there burns the flame of anger against the brutal, corrupt invader, and still more fiercely burn the fires of hatred and contempt for the filthy Quislings whom he has suborned. In a dozen famous ancient states, now prostrate under the Nazi yoke, the masses of the people, all classes and creeds, await the hour of liberation, when they, too, will be able once again to play their part and strike their blows like men. That hour will strike, and its solemn peal will proclaim that the night is passed and that the dawn has come.

The onslaught upon us, so long and so secretly planned by Japan, has presented both our countries with grievous problems for which we could not be fully prepared. If people ask me, as they have a right to ask me in England, "Why is it that you have not got ample equipment of modern aircraft and army weapons of all kinds in Malaya and in the East Indies?" I can only point to the victories General Auchinleck has gained in the Libyan campaign. Had we diverted and dispersed our gradually growing resources between Libya and Malaya, we should have been found wanting in both theatres. If the United States has been found at a disadvantage at various points in the Pacific Ocean, we know well that it is to no small extent because of the aid which you have been giving to us in munitions for the defense of the British Isles and for the Libyan campaign, and, above all, because of your help in the battle of the Atlantic, upon which all depends, and which has in consequence been successfully and prosperously maintained.

Of course, it would have been much better, I freely admit, if we had had enough resources of all kinds to be at full strength at all threatened points; but, considering how slowly and reluctantly we brought ourselves to large-scale preparations, and how long such preparations take, we had no right to expect to be in such a fortunate position. The choice of how to dispose of our hitherto limited resources had to be made by Britain in time of war, and by the United States in time of peace; and I believe that history will pronounce that upon the whole—and it is upon the whole that these matters must be judged—the choice made was right.

Now that we are together, now that we are linked in a righteous comradeship of arms, now that our two considerable nations, each in perfect unity, have joined all their life energies in a common resolve, a new scene opens upon which a steady light will glow and brighten.

Many people have been astonished that Japan should, in a single day, have plunged into war against the United States and the British Empire. We all wonder why, if this dark design, with all its labourious and intricate preparations, had been so long filling their secret minds, they did not choose our moment

of weakness 18 months ago. Viewed quite dispassionately, in spite of the losses we have suffered and the further punishment we shall have to take, it certainly appears to be an irrational act. It is, of course, only prudent to assume that they have made very careful calculation and think they see their way through. Nevertheless, there may be another explanation.

We know that for many years past the policy of Japan has been dominated by secret societies of subaltern and junior officers of the Army and Navy who have enforced their will upon successive Japanese cabinets and parliaments by the assassination of any Japanese statesman who opposed or who did not sufficiently further their aggressive policy. It may be that these societies, dazzled and dizzy with their own schemes of aggression and the prospect of early victories, have forced their country, against its better judgment, into war. They have certainly embarked upon a very considerable undertaking [laughter]; for, after the outrages they have committed upon us at Pearl Harbor, in the Pacific islands, in the Philippines, in Malaya, and the Dutch East Indies, they must now know that the stakes for which they have decided to play are mortal. When we consider the resources of the United States and the British Empire, compared to those of Japan, when we remember those of China, which has so long and valiantly withstood invasion [great applause], and when also we observe the Russian menace which hangs over Japan, it becomes still more difficult to reconcile Japanese action with prudence, or even with sanity. What kind of people do they think we are? Is it possible they do not realize that we shall never cease to persevere against them until they have been taught a lesson which they and the world will never forget? [Prolonged applause.]

Members of the Senate and Members of the House of Representatives, I turn for one moment more from the turmoil and convulsions of the present to the broader spaces of the future.

Here we are together, facing a group of mighty foes who seek our ruin. Here we are together, defending all that to freemen is dear. Twice in a single generation the catastrophe of world war has fallen upon us; twice in our lifetimes has the long arm of Fate reached out across the oceans to bring the United States into the forefront of the battle. If we had kept together after the last war; if we had taken common measures for our safety, this renewal of the curse need never have fallen upon us. [Applause.] Do we not owe it to ourselves, to our children, to tormented mankind, to make sure that these catastrophes do not engulf us for the third time?

It has been proved that pestilences may break out in the Old World which carry their destructive ravages into the New World, from which, once they are afoot, the New World cannot by any means escape. Duty and prudence alike command, first, that the germ centres of hatred and revenge should be constantly and vigilantly surveyed and treated in good time; and, secondly, that an adequate organization should be set up to make sure that the pestilence can be

controlled at its earliest beginnings before it spreads and rages throughout the entire earth. [Applause.]

Five or six years ago it would have been easy, without shedding a drop of blood, for the United States and Great Britain to have insisted on fulfillment of the disarmament clauses of the treaties which Germany signed after the Great War. That also would have been the opportunity for assuring to Germans those raw materials which we declared in the Atlantic Charter should not be denied to any nation, victor or vanquished.

Prodigious hammer strokes have been needed to bring us together today; or, if you will allow me to use other language, I will say that he must, indeed, have a blind soul who cannot see that some great purpose and design is being worked out here below, of which we have the honour to be the faithful servants.

It is not given to us to peer into the mysteries of the future; still I avow my hope and faith, sure and inviolate, that in days to come the British and American peoples will for their own safety and for the good of all, walk together side by side in majesty, in justice, and in peace.

[Prolonged applause, the Members of the Senate and their guests rising.]

ADJOURNMENT TO TUESDAY

At the conclusion of Mr. Churchill's address, the distinguished guests having retired from the Chamber, the Senate (at 1 o'clock and 5 minutes p. m.), under the order previously entered, stood in adjournment until Tuesday, December 30, 1941, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 26, 1941:

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

David J. Winton, of Minnesota, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to New Zealand.

TEMPORARY APPOINTMENTS IN THE UNITED STATES COAST GUARD

The following-named ensigns (temporary) to be lieutenants (junior grade) (temporary) in the United States Coast Guard to rank from date of oath:

John R. Shuman
Robert E. Reed-Hill
Norman L. Oleson
Preston L. Taulbee

TEMPORARY APPOINTMENT IN THE MARINE CORPS

To be brigadier general

Col. Henry L. Larsen to be a brigadier general in the Marine Corps for temporary service from the 22d day of December 1941.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 26, 1941:

WORK PROJECTS ADMINISTRATION

Paul Edwards, to be Work Projects administrator for Puerto Rico and the Virgin Islands, effective January 1, 1942.

POSTMASTERS MASSACHUSETTS

Anna R. Ellis, Norwood.
Elizabeth B. Phinney, Pocasset.

NEW JERSEY

Ethel Light, South Vineland.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 26, 1941

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore Mr. COLE of Maryland.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, under the canopy of Thy greatness and goodness, we gather in faith and humility to compose and gird ourselves for the duties and responsibilities of this day. Above us and around us there are dangers, but Thou art nearer than all dangers, and in the assurance of Thy presence we are unafraid.

We pray that Thou wilt give Thy protecting care to all the homes of our beloved country. May Thy sustaining power be with the brave men who are defending us so valiantly on land and sea and in the air. Preserve them even in the midst of danger and save them in every time of trial and temptation.

Grant that these may be days of unclouded vision for our President, for our Speaker, and the Congress as they courageously consecrate themselves in Christlike service for all who are in need. Fill our souls with a passionate longing for that glorious day when this and all wars shall end and men and nations shall give their allegiance to the Prince of Peace, who rules not with the rod of iron but with the scepter of justice, righteousness, and love.

In His name we pray. Amen.

The Journal of the proceedings of Tuesday, December 23, 1941, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Baldridge, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5822. An act to establish a military code for the Territory of Alaska.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2119. An act to prohibit the possession of dangerous weapons and explosives on board certain vessels.

The message also announced that the Vice President had appointed Mr. DAVIS and Mr. GUFFEY of Pennsylvania as members on the part of the Senate of the Commission to Investigate the Ways and Means for Improving Economic Conditions in the Anthracite Coal Producing Regions of the United States, pursuant to Public Law No. 355, Seventy-seventh Congress, approved December 19, 1941.

ADJOURNMENT OVER

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it stand adjourned until Tuesday next.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ORDER OF BUSINESS

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent that at any time today the Chair may declare the House to be in recess, subject to the call of the Chair.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Chair desires to make an announcement. On Wednesday last the majority leader of the Senate informed the Chair that he had, in the name of the Senate, extended an invitation to the Right Honorable Mr. Winston Churchill, Prime Minister of Great Britain, to attend the session of the Senate today at 12:30 o'clock p. m. and address them. Senator BARKLEY, on behalf of the Senate, asked me to extend to the Members of the House an invitation to be present in the Senate Chamber today at that time to hear the Prime Minister. Owing to the shortness of the time, it was found impossible to make any formal arrangements. The Chair has informally accepted for the House the invitation of Senator BARKLEY and those Members of the House who wish to hear the Prime Minister will form in line in the middle aisle, after the present occupant of the chair and the majority and minority leaders, and proceed to the Senate Chamber. The Chair also announces that, due to the smallness of the Senate Chamber and lack of facilities, only present Members of the House will be permitted to enter the Senate Chamber. Therefore the Chair requests Members of the House to refrain from taking children or any other persons with them.

The Chair now declares the House to be in recess, subject to the call of the Chair.

RECESS

Accordingly (at 12 o'clock and 7 minutes p. m.) the House stood in recess.

AFTER RECESS

The House reconvened at 1 o'clock and 19 minutes p. m., pursuant to the recess.

RURAL ELECTRIFICATION ADMINISTRATION SHOULD REMAIN IN WASHINGTON

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, my friends of the Rural Electrification Administration are very much disturbed over the order to move its headquarters out of Washington. We hope that order will be rescinded, and that the R. E. A. will be kept here where it is needed and where it belongs.

There are many other bureaus that could be moved if necessary, but the Rural Electrification Administration which has done so much for the farmers of the Nation, and with which almost every Member of the House and the Senate has to make contact practically every day, should be kept within reach of this Capital. If it were removed to some far-distant section of the country, the expense of the telephone communications